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**MINUTES OF STAFF MEETING
ADMINISTRATIVE STAFF CHIEFS**

23 September 1954

1. Mr. Meloon opened the meeting with a discussion of the so-called Fringe Benefits Law (H. R. 2263). He prefaced his remarks by pointing out that the Office of Personnel may await Civil Service Commission rulings on several controversial aspects of this law before attempting to formulate a policy statement applicable to CIA. Highlights of his briefing were:

a. Federal Employees Group Life Insurance:

To date, 1328 waivers for this coverage have been received in the Office of Personnel, from departmental employees only. The difference between this figure and the 1423 reported last week by Mr. Reynolds represents the few waivers thus far received from the field. Four hundred and seventy-six new GEHA-Life contracts have been written up to this point.

b. Increase in Number of Supergrades:

The increase in supergrades authorized by the new law does not apply to CIA.

c. Longevity Step-Increases:

Until passage of the new law, longevity step-increases applied only up through GS-10; now individuals in the grades GS-11 through GS-15 may qualify for a maximum of three such increases with a top of \$200 per increase for the grade GS-15. The effective date of this provision was the first pay period after 1st September.

d. Compensation for Overtime Work:

Overtime is our knottiest problem, according to Mr. Meloon. The new law authorizes payment of overtime through GS-15, with the maximum that can be earned increasing to \$11,800, the top of a GS-15. The former ceiling figure was \$10,300. The Agency faces the problem of deciding whether or not to pay overtime over GS-9 or to grant compensatory time above this grade.

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e. Pay Differentials in Lieu of Overtime:

Mr. Meloon pointed out that the new law states that such differentials may be granted under certain conditions up to a maximum of 15% of such part of the base pay that does not exceed the minimum rate of compensation for the grade GS-9. The Civil Service Commission is currently drafting a policy on this provision. Mr. Meloon told Colonel Edwards that he would take up the case of applying this portion of the law to Security's field investigators with Colonel Edwards after the Commission sets the guidelines. Mr. Meloon added that this was a provision that had to be very carefully administered, keeping in mind that the law in this instance was written to give relief only "for certain kinds of overtime," principally in those cases where the hours of duty cannot be controlled administratively and where "substantial amounts" of overtime are literally "built into the job."

f. Call-Back Overtime:

Mr. Meloon pointed out that the new law establishes the principle of payment for a minimum of two hours of overtime in this category, even if the actual time worked is less.

g. Abolition of Crafts, Protective and Custodial Schedule:

Even though CIA would be in a position to continue the CPC Schedule if it wishes, under our exemption to the Classification Act, Mr. Meloon said that we would follow the law in this instance. The law grants a period of one year in which the changeover can be effected and Mr. Meloon indicated that we would proceed slowly and cautiously toward the new system.

h. Uniform Allowance:

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i. Annual Leave:

The new law has the effect of establishing a January 1954 ceiling on leave for those individuals with more than 30 days accumulated leave. Mr. Meloon felt that this would require new Agency regulations and Colonel White mentioned in this context that he had just signed [REDACTED], the new Agency regulation on leave.

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j. Recruitment Incentives:

Mr. Meloon, in discussing the provisions of the new law with regard to payments above the base of a grade as an incentive to recruitment, observed that since 1942, the Civil Service Commission has been able to do this, but that CIA has not attempted this move since we are exempt from the Classification Act and therefore Commission administration. Thought has been given to using this technique in CIA in the past, but it was discarded for any substantial group of our employees (i.e., clericals) since the expense of equalizing the salaries of other employees in the same category would be prohibitive. Mr. Meloon felt that this was another case where we should await Civil Service Commission ruling before deciding if we should make use of this provision.

k. Incentive Awards:

Mr. Meloon said it was his feeling that CIA's Incentive Awards policy had been liberal in the number of awards granted but not necessarily in the size of each award. He pointed out that CIA would now be entitled to pay up to \$5000 on a monetary award under the new law and up to \$25,000 per award can be granted in exceptional cases with the approval of the Civil Service Commission and upon proof that the invention, suggestion or superior accomplishment was outstanding. He also noted that step-increase awards have been eliminated, effective 90 days after 1 September 1954.

l. Whitten Amendment:

This controversial 1950 amendment has now been modified; it had acted as a bar to permanent appointments and had established a one grade raise per year yardstick in Government. Mr. Meloon observed that we had never conformed to the provisions of the amendment, basing our request for exception on security grounds, holding that the problems of making Social Security payments on temporary appointments would have been accepting an unnecessary risk.

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4. Mr. Maloon said that we would not be affected by a recent amendment to the Performance Rating Act, since we are already exempt from the general provisions of the Act. He noted that the Congress has extended the Missing In Action legislation on a temporary basis until 1 July 1955 (this is an Act in which the Agency has a considerable interest), while the study of permanent legislation on this subject continues. Mr. Pforzheimer seemed to think that the 84th Congress would enact some type of permanent legislation on this topic.

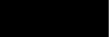


5. Mr. Meloon noted that CIA was not affected by the recent grant of permanent status to the previously temporary increase in Civil Service annuities. On the matter of Unemployment Compensation for Federal Employees, legislation on which subject was passed, Mr. Meloon said that CIA might well have a considerable security problem in backstopping former employees who might make application for unemployment benefits, since these records would be circulated down to the State Unemployment Compensation authorities on an unrestricted basis.

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Personnel, Comptroller and Logistics furnish his office with a list of all bills in which they were interested for the 84th Congress. Colonel White said that this would not affect Mr. Pforzheimer's responsibility to see that copies of pending legislation were distributed to all offices where the impact might be felt.

7. Mr. Saunders said that he has prepared a draft of a policy statement on the overtime question, which draft contained a proposal that the authority for approving overtime requests be delegated to the various office heads rather than be kept in the Budget Division where it presently resides. Mr. Saunders said that the question of monetary compensation or compensatory time for the grades above GS-9 had not yet been decided, but there was considerable evidence to support the theory of compensatory time, since the Agency's overtime bill last year was a whopping \$1,700,000. Mr. Saunders pointed out that paid overtime in grades above GS-9 would cost \$3.64/hour.

8. Mr.  discussed the Agency telephone situation, pointing out that of the  lines on the Agency switchboard, there presently are only 229 not in use. He said that recent moves had depleted the supply of lines, since every component moving tended to pick up additional lines in their new location. A permanent surplus of several hundred lines is needed to permit handling of temporary service during moves, when old lines are temporarily withdrawn from service. The Logistics Office is preparing a memorandum for Colonel White to sign asking for the cooperation of all Agency offices in the conduct of a telephone survey, the purpose of which is to recapture some lines for essential use. Colonel White asked that everyone present cooperate in giving up some lines that they can possibly spare, since the procurement of a new and larger switchboard would not only take the better part of a year, but the space available for such a board in South Building is limited, and there is the question of the economy of making such a purchase in view of the fluid situation relative to the Agency's possible move to new quarters. Mr.  added that the present situation is a critical one.

9. Colonel White requested that attention be given to speeding up the processing of small, single position T/O changes. Some changes have been requiring 30 to 60 days for one or two positions where there is no controversy and he asked that they be afforded more rapid action in interested offices.

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10. Colonel White mentioned that he has received an excessive number of claims for adjudication under CFR 30-110, paragraph 9.a ("unusual functions" - formerly CFR 10.12) where the claim is based on action taken by an employee as the result of advice given him by Agency "spokesmen" who had either exceeded their particular authorities or advised by hearsay. He cited as examples moves by Agency employees to make ready for an assignment that later aborts, hospitalization under improper auspices, etc. Colonel White asked that the office heads police this situation more closely through the medium of the administrative officers.

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11. Colonel White said that he was pleased at the number of Agency Regulations that he has signed for release lately, and he added that Mr. [REDACTED] periodic report on outstanding regulations had been very helpful. He asked that office heads inventory their outstanding regulation needs and let him know how they stand no later than 10 October. He also commented on the large number of regulations concerned with the Logistics Office that had been coming through as being a good sign. Further, he asked that priority regulations be accelerated, and that as much resolution of differences as possible take place between offices concerned, rather than through reliance upon the Regulations Control Staff. Mr. [REDACTED] said that he was hopeful of clearing the present regulations log jam and noted that considerable progress has been made in that direction.

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12. Colonel White expressed his interest in the status of the regulation having to do with Table of Allowances for Motor Vehicles. Mr. [REDACTED] and Mr. [REDACTED] were asked to follow up on this matter and Mr. [REDACTED] observed that he felt the entire motor vehicle regulations problem would soon clear up as a result of signature this week by Colonel White of [REDACTED] "Government Owned Motor Vehicles," a cornerstone regulatory issuance in this matter.

13. Colonel White spoke of the Boards of Survey and the Board of Financial Shortages and noted that his insistence that their findings be passed to him through the Chief of Logistics and the Comptroller respectively was not an expression of lack of confidence in the membership of either board but merely adherence to a fundamental principle of staff work; that such reports should have the comments of the senior official in each functional area for his and Colonel White's protection. Colonel White also added that he wants the Board reports to be brief, detailed and factual, not generalized. The basis for decision, not just the decision, should be cited, and further, if lessons are to be derived from the cases considered by the Board, such lessons should be clearly pointed out so that action to remedy procedures can be taken.

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14. Colonel White said that he did not have any additional information on the composition or timing of the Hoover Commission Task Force. All he could say was that he knew they were grouping in preparation for their assignment.

15. Colonel White mentioned that the Suspense List system within DD/A was not working too well. Numerous items have gone without positive action for more than 60 days and Colonel White felt that quite possibly these Suspense Lists were not coming to the personal attention of the Office Head. To bring all concerned up to date on outstanding items, Colonel White distributed current Suspense Lists to everyone and said that it will be standard practice to distribute these lists at each weekly staff meeting in the future.

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16. Colonel Edwards observed that the cover situation is bad and that more attention needs to be paid to advance cover planning so that Agency employees can take advantage of, rather than be excluded from, legislation that is designed to operate for their benefit. He added that the standard covers [REDACTED] are comparatively easy to handle, but he feels that our senior officials may not fully realize that cover involves more than external appearances. Colonel Edwards added that he had no desire to take on additional cover support activities in bringing this to the attention of the meeting. Colonel White confirmed the need for positive action to remedy this situation.

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17. Mr. [REDACTED] said that with the resignation of Mr. George [REDACTED] the Agency has only one remaining expert on machine systems, Mr. [REDACTED]. He expressed his concern over this problem of finding someone capable of analyzing market capabilities in electronics machine systems for each consumer office within CIA. Colonel White instructed Mr. [REDACTED] to follow up this matter with the Assistant Director for Personnel so that a search could be conducted within the Agency first for such an individual and, failing in that, proper requirements for recruitment of this person could be developed. There was general agreement that this job could best be described within the phrase "electronics machine system researcher."

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18. Mr. Maloon commented on questions asked Mr. Reynolds by the Special Studies Group having to do with the number of people performing personnel functions outside the Office of Personnel and the Personnel Career Service. He felt that there is a possibility that the Group may ask the same type of question of other areas, including that of Administration.

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19. Colonel Edwards stated that he was generally not in favor of the idea of compensatory time in lieu of monetary compensation for grades above the GS-9 level, since he felt that this defeated the very purpose for which overtime is granted; i.e., overtime is caused by a greater workload than can be handled by the authorized staff during normal working hours; therefore, if you follow overtime worked by compensatory time off, you tend to perpetuate the difficulty. Colonel White said that he agreed, but felt that we should be careful about paying overtime in the higher grades for sporadic periods in excess of the normal work week. Where overtime was regularly worked as an adjunct of the job, he could see justification for such payment.

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